



State of Utah

School and Institutional
TRUST LANDS ADMINISTRATION

Michael O. Leavitt
Governor

David T. Terry
Director

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FEB 03 2000

DIVISION OF
OIL, GAS AND MINING

February 2, 2000

CERTIFIED MAIL NO. P 959 217 994

Legacy Properties and Investment, L.L.C.
Mr. John Heiner
317 W. 740 N.
American Fork, UT 84003

Re: Release of Reclamation Bond

Township 5 South, Range 2 East, SLB&M
Section 8: SE4SE4

Dear Mr. Heiner,

Legacy Properties Inc., L.L.C., is the record surface owner of the above described lands in the Cedar Hills area, Utah County. The State of Utah, School and Institutional Trust Lands Administration is the owner of the mineral estate. On January 31, 1999, the School and Institutional Trust Lands Administration expired Clay lease ML 44272 covering the above described lands. The lease was originally issued to Mr. J.L. Anderson, in 1989.

Mr. J.L. Anderson operates a small clay pit on adjacent private lands to the immediate south of the above described lands. During the ten year term of clay lease ML 44272, Mr. Anderson's mining operation slightly encroached upon the above described lands. The School and Institutional Trust Lands Administration holds a Certificate of Deposit from Mr. Anderson in the amount of \$3,500.00 for the reclamation of mining disturbances to the lands.

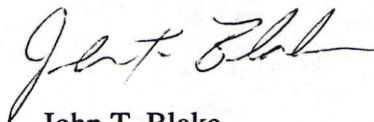
The mining encroachment upon the above described lands occurred several years ago and consists of a small cut in the hillside and an access road to the clay pit. Natural vegetation has re-established itself on the face of the cut. The Utah Division of Oil, Gas & Mining (which regulates mined land reclamation) has determined that no additional reclamation is needed on that portion of the clay pit encroaching upon the above described lands. It is believed that additional reclamation would upset the natural vegetation which has re-established and may result in further erosion of the surface. Since the Clay lease has expired and the mined-land regulatory authority requires no further reclamation, the School and Institutional Trust Lands Administration is considering a release of Mr. Anderson's reclamation bond.

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I am writing to inquire whether Legacy Properties Inc., L.L.C. has any objection to the release of Mr. Anderson's reclamation bond by the School and Institutional Trust Lands Administration. If you believe that additional reclamation of the small mining disturbance upon the above described lands is needed, or if you believe that Legacy Properties Inc. L.L.C. has suffered any damages pursuant to such disturbances, please immediately provide me with details of your reclamation requirements and/or of any damage claims. If I do not receive your written response to this letter within the next thirty (30) days, I will presume that Legacy Properties Inc., L.L.C. has no objection to the release of Mr. Anderson's bond.

Please contact me if you have any questions in this matter.

Sincerely,

A handwritten signature in cursive script, appearing to read "John T. Blake".

John T. Blake
Mineral Resources Specialist

cc: Tom Faddies
Justin Quigley
J.L. Anderson
Lynn Kunzler